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C O N F I D E N T I A L PANAMA 000533

SIPDIS

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TAGS: [PGOV](#) [PREL](#) [PM](#)

SUBJECT: PANAMA: PRD PRESIDENTIAL HOPEFULS FACE OFF, NICELY

Classified By: CLASSIFIED BY POLCOUNS BRIAN R. NARANJO.

REASON 1.4 (D)

Summary

11. (C) The top three contenders for the presidential candidacy for the ruling Democratic Revolutionary Party (PRD) faced off on June 26 in their second electoral forum. Pointedly, the PRD and its presidential candidates characterized this event as a forum, not a debate, wishing to communicate unity of purpose and party harmony. The forum produced few fireworks, as all three candidates similarly addressed the economic anxiety of the electorate and appealed for party unity. In an event largely intended to communicate to PRD faithful, many commentators believed that Juan Carlos Navarro had underperformed, Balbina Herrera had held her own, and Laurentino Cortizo had outperformed expectations by offering "new" ideas, ideas that were largely anti-free trade. While Navarro closely identified himself with current President Torrijos, Herrera sought to align herself with Torrijos' father, Omar Torrijos. With the PRD primary scheduled for September 7, there is still a lot of time for the PRD primary to take shape and evolve. END SUMMARY.

A Forum, Not a Debate

12. (U) Top-polling Balbina Herrera and strong contender Juan Carlos Navarro, as well as very distant third Laurentino "Nito" Cortizo participated in the PRD-sponsored two-hour forum, not debate, at the Latin University (Universidad Latina) in Panama City on June 26. The forum was broadcast on television and radio. Before an overflow crowd of about 400 students, professors and others, each contender gave a ten-minute opening statement in which they listed their top priorities. Next, each candidate in turn took questions from students in the audience as well as students from branches of the university in other provinces via videoconference and e-mail. The questions from the audience were prepared for particular candidates, and the other candidates did not get an opportunity to respond directly to their opponents' answers. The forum ended with a one-minute statement from each candidate that each candidate. All three promoted party unity and a strong turnout for the September 7 primary in their remarks.

POVERTY AND FOOD SECURITY ON EVERYONE'S MIND

13. (U) Common issues for all candidates were poverty, food security and economic prosperity, especially in the

"comarcas," autonomous regions administered by indigenous tribes. Each candidate expressed concern for the continued prevalence of poverty in Panama despite strong economic growth and each touched on the underlying issues in a laundry-list like fashion: the dismal and uneven quality of education; the decreasing sense of personal security; the lack of adequate health care for all citizens; and the need for improved public transportation. The candidates agreed that "self-sufficiency" and local production were the keys to food security.

Straying, but Momentarily, from the PRD line

14. (SBU) Cortizo addressed his fallout with the Torrijos administration. (COMMENT: Cortizo resigned his post as Minister of Agriculture during negotiations with the U.S. on the Trade Promotion Agreement out of disagreement with agricultural provisions. END COMMENT) He claimed that his resignation was to protest "unilateral" provisions, "imposed by the U.S." on "phytosanitary issues" were "harmful to Panama" and "endangered the country's animal and plant patrimony." He assured the audience, however, that he still cared for President Torrijos.

15. (SBU) Navarro repeatedly emphasized the need to decentralize government services and devolve greater responsibilities to local mayors. Speaking of decentralization gave Navarro an opportunity to take credit for his successes as Mayor of Panama City while at the same time blame the current top-down system for existing problems, such as the increasing crime rate.

16. (SBU) When queried about how he was prepared to lead a country facing many difficulties when he himself came from a privileged background, Navarro affirmed that the key question was not who comes from a particular social group, but rather "who has the capacity to solve the government's problems." (COMMENT: This was a clear shot at Herrera, who came from an impoverished area of Panama City and has played on that background throughout her career. END COMMENT)

17. (U) Transportation was touched upon by all three candidates in a general way, but only Navarro made the specific suggestion that Panama should put in place a metro system similar to those in Medellin, Colombia and the Dominican Republic. This suggestion was brushed aside in a later comment by Cortizo, who noted the \$700 million price tag for the metro system in the Dominican Republic.

Navarro the Legacy, Herrera the Change Agent

18. (C) Second place candidate Juan Carlos Navarro several times invoked the name of President Martin Torrijos, casting himself as the PRD legacy candidate who could continue the successes of the Torrijos Administration and build upon his own successes as mayor of Panama City. In particular, he mentioned in his opening statement, and several times after, his commitment to continue the "Compita" program, which offers discounted baskets of foodstuffs to poor families. (NOTE: "Compita" is a program by which the GOP purchases bulk foodstuffs such as rice, flour and oil, packages the foodstuffs under the GOP's "Compita" brand and sells them to Panamanians. "Compita" products, which are priced lower than supermarket brands, have been popular with poor Panamanians.) Navarro did not mention any other Torrijos programs that he wishes to continue.

19. (SBU) Front-runner Balbina Herrera referred back to her roots with former Panamanian strongman, PRD founder, and father of the current president Omar Torrijos. She promoted her candidacy as a turnaround opportunity, and a chance to face problems and people that had been ignored. At one point, she said "If things are bad, someone should say so." In a response to a telephone question referring to her

position in the Panamanian government during a "dark" period in recent history (a reference to her high profile role in deposed strongman Manuel Antonio Noriega's regime), Herrera ignored the reference and replied again in the positive, emphasizing that the PRD was a "democratic, pluralistic, supportive and respectful party," that would hopefully remain united.

¶10. (U) Other questions from the audience included subjects as varied as: access to transportation for the disabled, campaign finance reporting, tourism in the Azuero peninsula, the construction boom and land use laws, arts funding and the promotion of microfinance.

Comment

¶11. (C) The style of the forum, which did not allow candidates to directly challenge their opponents, left little room for stark contrasts between the candidates. Indeed, structuring this event as a forum, not a debate, was wholly intentional. The PRD, a normally hermetically sealed party, is generally loathe to air its dirty laundry in public. The touchstone for any PRD presidential hopeful is embracing party unity and underscoring commitment to fulfilling the party's corporate mission or purpose. The tone amongst the candidates was largely warm and few jibes were given or taken. The audience did not exhibit a clear preference for any candidate, although Herrera had a substantial cheering section. Each candidate used their closing statement for a general plug for the PRD, leaving loyal supporters feeling warm and fuzzy. Trailing Herrera by perhaps as much as 20 points in internal PRD polling, Navarro's decision to tie himself closely to the Torrijos Administration, whose own popularity has been tanking in recent months, is not without risk, although President Torrijos recently claimed to Ambassador that support for him among PRD rank and file was significantly high. Though outpaced by Herrera, most pollsters and political commentators are not prepared to count out Navarro who is widely seen to be a hard-working politician prepared to grind out his victories through aggressive, street-level, door-to-door politicking. Herrera is still riding the wave of enormous popular appeal, but has yet to put in place a political machine to deliver her voters to the polls. Many commentators believed Navarro underperformed and was outshone by Herrera.

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